

**Preston Board of Finance
Special Meeting Minutes
Tuesday, April 24, 2018 at 7:00 p.m.
Preston Veterans Memorial School – Rm. 1 (Former Central Office)**

1. Call to Order & Roll Call

Melissa Lennon, Chair, called the meeting to order at 7:09 p.m.

Roll Call

Members

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

Alternates

Ian Stammel – arrived at 7:25 p.m.
Lennie Spencer – absent

Also Present

Bob Congdon – 1st Selectman
John Spang – Finance Director
Roy Seitsinger – Superintendent

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

- Andy Depta – presented written comments
 - BoF requested BoE & BoS to present revised budgets with \$100K reductions and both refused
 - State is doing badly for the towns, but don't punish the residents for the State Legislature's failures
 - BoS Budget recommendations: reduce salary increase from 3% to 2%; also provided data for an 8% and 5% reduction
 - BoE Budget recommendations: looked at the value of a FTE position (\$65K salary with \$13K benefits = \$78K/FTE) and provided a table with the breakdown of reducing by FTE positions
- Ed Gauthier – BoE member
 - BoF's recommendation to cut \$100K from the BoE budget will impact staffing or programs, which then creates a situation of trying to do more with less
 - April 10th BoF minutes show a motion to appropriate \$2K for a Chromebook or electronic device for the BoF Clerk. Did research on the cost of a Chromebook and questions the appropriation.
 - M. Lennon clarified (1) the minutes are in draft form and (2) the appropriation was intended to cover the cost of a device, software

needed for the Clerk, as well as covering the unanticipated shortfalls in the BoF budget for legal fees and recorder fees.

- Questioned the BoF appropriation when the BoE is on a spending freeze
- John Marino
 - Asked whether the FY18 Budget includes money for PreK
 - M. Lennon replied that the FY18 budget does include money for PreK, which was voted upon at referendum
 - Asked how that could be when residents voted it down years ago.
 - M. Lennon replied that PreK was voted upon within the entire BoE budget packet and not as a separate item; therefore, residents did not vote specifically for or against PreK.
- Susan Strader – Teacher & Resident
 - Supports the BoE budget as presented; there was a lot of transparency this year, especially with the creation of the Finance Committee
 - There is a need for a School Social Worker; she invites members of the community to come into the schools and see a typical school day
 - Does not want to see the chair of BoF as recorder for the meeting; finds the dual role distracting and prolongs the meeting
- Tom Turner – BoE member
 - BoE is mandated to put kids first and tax payers second
 - He understands the shortfall of CT, but don't take it out on the kids
- Andy Bilodeau –
 - Will the revenues raised support the proposed budgets without losing services; BoF needs to look at the revenues
 - Make frugal expenditures so as not to drain taxpayers and Surplus

M. Lennon seated I. Stammel seated for D. Durprey.

3. FY18 Budget Update

- John Spang presented a spreadsheet/table that showed:
 - FY17 through the end of March = comparison to where we are this fiscal year
 - FY17 through the end of June
 - FY17 June-March – April through June = amount that could be anticipated remaining for this fiscal year
 - FY18 through the end of March
 - FY18 through the end of March & FY17 April through June to predict what remains for this budget year
 - FY18 Budget
 - How the Budget to the Prediction compares
- John Spang distributed OPM's 11/2/2017 letter with State Aid predictions/estimates for Preston at \$4,443,783
- S. Becker asked about CCM's 2/15/2018 publication that shows Preston's State Aid estimates as \$4,38,745 with the Governor's Adjustments. It was noted this figure does not include a few State Aid opportunities, but may be the best numbers currently available regarding FY19 State Aid for those it does include

- Based on current discussions at the state, the ECS grant estimates may increase from current projections for next year
- B. Congdon shared that latest discussions suggest the second Town Aid Road payment (about \$100K) is unlikely to happen. If that occurs, planned work will not happen. It will not be a loss that must be compensated for out of Surplus.
- B. Congdon said the Mashantucket/Pequot Grant still is expected to come, but Preston has received nothing to date; usually Preston has at least ½ the payment by now. BoF members expressed concern that it may not come at all.

4. FY19 Budget

i. Impact of Revaluation, State/Federal Cuts, and Covanta

- Revaluation – S. Becker looked at 40 random properties’ assessment value to see the impact of revaluation
 - Covanta was the largest depreciation at 25.3%
 - Highest increase seen was 4.2%
 - Most depreciated 2%
 - The average was a depreciation of 6%
 - An increase of 2.4 mils seemed to equal the same monetary amount as this fiscal year
 - Did compare assessment values with 2017 taxes to account for improvements to the properties
 - 2016’s Grand List: \$403,054,818 (\$449,128,398 from Assessor)
 - New 2017 Grand List: \$433,170,115 (is a decrease of \$30,115,297 or 4%) – new value includes the addition of Covanta; if removed Covanta, the list is similar on the residential side to last year
- State Cuts – known that it has been uncontrollable for Preston, but we were in a strong financial position to absorb the \$812K short fall
- J. Spang presented a copy of a page from the Audit report showing the current surplus
 - Fund Balance:
 - Committed – budgeted to take from surplus
 - Assigned – encumbered for bills not received by June 30th
 - Unassigned – considered surplus, but includes 9 ½% of the current budget for emergencies
 - Available: \$2,946,000 - \$40K (backhoe) - \$47K (2nd trooper)
 - FY19 Available \$1,580,145 with \$879,018 fluid

ii. FY19 BoE & BoS Budget – Review and Possible Action

- Both BoE & BoS chose not to submit a revised budget showing a \$100K reduction. Instead, both stood by and supported their budgets as presented. Both boards explained that their interpretation was that the BoF did not state it was an action that MUST be done, but rather one that could be considered.

- Discussed Preston's tough budgeting position financially with Revaluation, State Cuts, the change in Covanta payments from Pilot to property tax (more than a \$200K reduction) and how to meet the needs of the town while being fiscally responsible.

A motion was made by J. Grabarek and seconded by Ian Stammel to go to Public Hearing with the Board of Education budget as approved by the Board of Education and the General Government budget as approved by the Board of Selectmen.

J. Grabarek and I. Stammel amended their motion to include, "to find out residents' feeling regarding the budgets as presented" to the end of original motion.

Yes: I. Stammel, J. Grabarek, M. Lennon

No: K. Zachem, S. Becker

Motion passes.

- B. Congdon suggested the BoF consider adding the State Troopers as an agenda item at Public Hearing

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

- Local Revenues were reviewed. Adding \$140K for back taxes. Total Local Revenues: \$381,624
- State Aid Revenues were reviewed. Total State Aid Revenues using the best numbers currently available: \$4,075,745 (which includes State Aid opportunities not listed on the CCM sheet)
- Total Revenues: \$4,457,369
- Note: will double check/verify these numbers prior to Public Hearing

iv. **Scheduling**

- Public Hearing will include: (1) an introduction by the BoF to explain the budget impacts: revaluation, State Cuts, Covanta (2) budget presentations by the BoS and BoE and (3) Q&A from residents
- Town Hearing may fall on the same night as Preston Palooza, which runs from 4:30-7:30 on May 31st.

A motion was made by J. Grabarek and seconded by Ian Stammel to schedule the Public Hearing for the FY19 Budget on May 17th at 7:30 p.m. in the PVMS gym with a BoF meeting to follow, the Town Meeting for the FY19 Budget on May 31st at 7:30 p.m. in the PVMS Gym, and Referendum for the FY19 Budget to be held on June 12th.

All in favor. Motion passes.

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

- Ed Gauthier –

- Questions the 4/10/18 minutes with the \$2K appropriation for a computer and yet the funds will be spent for software and legal fees as well. Seems like a questionable practice.
- BoE would like a recommendation as to where to cut, even if the BoF cannot dictate where cuts are made
- Let's work collectively together (BoS, BoE, & BoF) in the best interest of the town; put the past in the past and move forward
- Andy Depta –
 - Don't agree that the budget should be passed on to the residents to decide; it's a disservice to the residents by not addressing the town's fiscal and budgetary needs
 - BoF should have made hard decisions and cuts; BoF members are elected to the position to make decisions
 - With 33% of students on free and reduced lunch, look at the implication of Preston's poverty level – perhaps 1,200 residents

6. Adjourn

A motion was made by I. Stammel and seconded by J. Grabarek to adjourn the meeting at 9:41 p.m.

All in favor. Motion carries.

Respectfully submitted,

Melissa Lennon
BoF Chair