

**Preston Board of Finance  
Regular Meeting  
Wednesday, May 16, 2018  
7:00 p.m.  
Preston Town Hall**

**1. Call to Order**

Melissa Lennon, Chair called the meeting to order at 7:00 pm

**Roll Call**

**Members**

Melissa Lennon – Chair  
Jerry Grabarek – Vice Chairman  
Stacey Becker – Clerk  
Dan Duprey - excused  
Keith Wucik – left at 8:43 pm  
Ken Zachem - arrived at 8:00 pm

**Alternates**

Ian Stammel - seated  
Lennie Spencer - seated

**Also Present**

1st Selectman Robert Congdon  
John Spang, Finance Director

*Chairwoman Lennon seated I. Stammel in place of K. Zachem until 8:00 pm*

*Chairwoman Lennon seated L. Spencer in place of D. Duprey*

*Chairwoman Lennon seated I. Stammel in place of K. Wucik at 8:43 pm*

**A motion was made by J. Grabarek and seconded by S. Becker to move 10e Unfinished Business, Capital Projects & Bond Status/Update up next on the Agenda.  
All in favor. Motion carries.**

**10. e. Capital Projects & Bond Status/Update • Resolution to Call the 2013 Capital Bond Attorney Matt Ritter, Shipman & Goodwin;**

- Town plans to sell Bonds on Wednesday May 23<sup>rd</sup>
- Capital Projects
- Preston Riverwalk
- Refunding Component

Attorney Ritter explained that when the Town Meeting approved the Resolution for the Capital Projects, there was a clause in the 2<sup>nd</sup> section that said; If the bonds, notes, obligations were sold by negotiation the Purchase Agreement will be approved by the Board of Finance.

The Town usually receives its bonds in a competitive sale, but this is a unique transaction so the Town will do it by negotiated sale on the 23<sup>rd</sup>. Instead of a competitive sale where everyone puts their bids in on the internet, the Town is using an underwriter, Roosevelt & Cross that is helping to structure the transaction by getting the best price and the lowest cost of issuance.

**TOWN OF PRESTON**

**BOARD OF FINANCE**

**RESOLUTION TO APPROVE CONTRACT OF PURCHASE**

*WHEREAS, THE Board of Selectmen, the board of finance and voters of the Town have previously authorized the town to issue its \$5,025,000 General Obligation bonds, Issue of 2018, Series A and \$1,700,000 General Obligation Bonds, Issue of 2018, Series B (Federally Taxable) the “Bonds”); and*

*WHEREAS. The Town is expected to sell the Bonds on or about May 23, 2018 to Roosevelt & Cross Incorporated, as an underwriter in a negotiated sale; and*

*WHEREAS, the resolution authorizing the issuance of the 2018 Capital Improvements Projects included in the Bonds requires that if the Bonds are sold by negotiation the contract of purchase shall be approved by the Board of Finance.*

*NOW, THEREFORE, BE IT RESOLVED that the contract of purchase is approved in substantially the form as contained in Exhibit A, attached hereto.*

*FURTHER RESOLVED, that the first selectman and Treasurer are authorized to award the Bonds and execute the contract of purchase, with such revisions as may be approved by them, and in accordance with the terms, details and particulars as described in the Preliminary Official statement, and to execute and deliver all necessary documents and instruments in connection with the issuance of the Bonds.*

**A motion was made by J. Grabarek and seconded by K. Wucik to approve the resolution to approve the contract of purchase presented by Attorney Ritter.  
All in favor. Motion carries.**

**A motion was made by S. Becker and seconded by J. Grabarek to return to the beginning of the agenda.  
All in favor. Motion carries.**

**2. CCM Meeting Workshop & “Take Away” for BoF Meetings**

- Training held April 25<sup>th</sup> at Putnam High school with attorney Olsen.
- If there is a quorum whether it is in person or via text or email, a meeting is taking place.
- If someone leaves a meeting, make sure there is still a quorum.
- Bylaws must state Board allows members to call in, otherwise you cannot make a quorum m/vote via telephone.
- There is a FOI risk when using personal email, phone, etc. for public business.
- Do not reply to all on an email.
- Do not discuss public business after the meeting is officially closed.
- Hand-outs do not have to be included in the Minutes.
- All motions must be submitted to the town Clerk within 48 hours.

According to Robert's Rules of Order, all business should be conducted through the Chair.  
According to Robert's Rules of Order, the Chair only votes in the event of a tie or if the Chair chooses to sway the vote.

Motions need to be re-stated by the Chair prior to the vote

The Chair should set the perimeters prior to Public Comment.

All audience members are to be allowed to speak once before someone gets a second turn.

No Public comment should be aimed at another audience member. No names should be used during Public Comment.

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

Andy Depta, Preston resident stated that the BoF Agenda does not indicate where the May 17<sup>th</sup> Special Meeting will be held.

M. Lennon answered it is noted on the Special Meeting's Agenda that is on the Town web site, and that tonight's agenda is not the notice for the Special Meeting.

A. Depta stated that the Public Hearing Agenda does not indicate when there will be Public Comment.

M. Lennon answered that last year, Public Comment was allowed after each section was presented.

### **4. Approve Meeting Minutes**

#### **a. April 10, 2018 – Regular Meeting**

**A motion was made by S. Becker and seconded by J Grabarek to approve the April 10, 2018 Regular Meeting Minutes as amended.**

#### **Discussion:**

*Members had a lengthy discussion regarding the motion:*

*A motion was made by J. Grabarek and seconded by K. Zachem that the BoF approve the transferring \$2,000 from line #3320, data processing to line #3340 to purchase an electronic device to be used by the BoF Clerk.*

*All in favor. Motion carries*

*S. Becker stated that the \$2,000 was not meant just for a lap top. It was also for because we were over budget due to legal fees incurred earlier in the year.*

*1<sup>st</sup> Selectman explained that part of the discussion was to have a motion to appropriate a sum NTE \$300.00 and you can only make a single appropriation to a line before you have to go to a Town Meeting. The BoF decided to take money and transfer it between line items, rather than make a new appropriation.*

*1<sup>st</sup> Selectman stated that a new motion should be made in tonight's meeting that clarifies the motion made on April 10<sup>th</sup>.*

*No further discussion*

**Ayes: M. Lennon, J. Grabarek, S. Becker, K. Wucik, I. Stammel**

**L. Spencer abstained.**

**Motion carries.**

*S. Becker was identified as excused, but was present at the April 10<sup>th</sup> meeting.*

*During Public Comment, A. Bilodeau noted that the Fire Department is supposed to submit a quarterly report on their finances.*

#### **b. April 24, 2018 – Special Meeting**

**A motion was made by S. Becker and seconded by I. Stammel to approve the April 24, 2018 Special Meeting Minutes as amended.**

**Ayes: M. Lennon, J. Grabarek, S. Becker, I. Stammel**

**L. Spencer, K. Wucik abstained.**

**Motion carries.**

*#3. FY18 Budget Update; S. Becker asked about CCM's 2/15/2018 publication that shows Preston's State Aid estimates as ~~\$4,38,745~~ \$4, 038,745.*

### **Correspondence**

1. Email from Nancy Musa re: BoF email distribution list.
2. Email from Jill Keith re: does not support proposed BoE and BoS budgets.
3. Email from John Spang re: Auditor Dan Pappalardo.
4. Email from John Spang re: Mid- year changes to Preston's Grand List.
5. Email from John Spang re: Unfilled Purchase Orders.
6. Email from Janise Farese, American Transparency re: New Open Records Act.
7. Email from Andy Depta re: 2018-2019 budget hearing & town meeting.

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

**John Spang;**

#### **April -2018**

- Interest & leans – gained another \$7,000 in April
- Refund of taxes went down \$11,000 but was in the forecast
- Town clerk fees \$13000 was received
- Building permits at \$3,000 made budget
- Investment income way ahead of budget at \$20,000;  
State money coming in that was not here last month;
- Received Mashantucket Grant - \$750,000
- Received Educational Cost sharing – 1,022,00

Hand-out passed out – FY2019 Municipal Aid

Hand-out passed out - State Aid Budget vs., Expected Actual

Hand-out passed out – Town of Preston Expense & Revenue Budget Fiscal Year July 1, 2017 – June 30, 2018

There are 3 legs to revenue to pay for municipal programs;

1. State Aid
2. Tax Levy
3. Local Revenue

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

**John Spang**

- Because mechanic is out on leave, contracted with First Student with get repairs done; currently \$20,000 over budget due to his absence.
- Para-educators compensated absences cost is currently \$19,000.00 with 2 months to go; last year's total cost was \$16,000.00.

Keeping a running tally of capital Projects. An update will be given each month;

- Gym floor is completed
- Busses were ordered
- Next are science labs and lockers

a. BoE Finance Subcommittee Update

- BoE met with IT and discussed Phoenix software, Phoenix may not be supporte or exist within 2 years.
- State of Connecticut made it so the BoE cannot purchase software on its own, it must request approval from the Town.

**8. Board of Selectmen Financial Report**

1<sup>st</sup> Selectman Congdon

- May receive last payment of Town Aid Road funds for the State; notification will be in June.

1<sup>st</sup> Selectman Congdon noted that it will be difficult to get the roads done by June 30<sup>th</sup> and requested the BoF allow the funds be encumbered so the paving company can be hired.

**A motion was made by K. Zachem and seconded by K. Wucik to approve encumbering the balance of the Town Aid Road funds for FY17/18.**

**All in favor. Motion carries.**

M. Lennon asked if any money is expected to come back to the town this Fiscal Year.

1<sup>st</sup> Selectman Congdon answered he thinks \$65,000.00.

**9. Preston Redevelopment Agency Financial Report**

**Bill Legler**

Total expended in April was \$4, 774.15

**10. Unfinished Business**

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

S. Becker delayed work on this due to working on the Town's budget and estimated that it will be ready by June.

**b. BoF Electronic Device for BoF Clerk**

S. Becker received a Town owned laptop last evening but has not looked through it to see if will meet the needs of the BoF.

BoF members tabled their discussion and possible action regarding the April 10<sup>th</sup> motion discussed on page 3, *Approval of April 10, 2018 Regular Meeting Minutes*, until they know the status of the laptop's capabilities.

**c. BoF Liaison to Board of Education Finance Committee - Defined**

M. Lennon asked if BoF members would like to define the roles of the BoF Liaison to Board of Education Finance Committee.

K. Zachem suggested forwarding the BoE written policy to BoF members.

**d. BoF Recorder Update**

M. Lennon noted that a new short term BoF recorder is in attendance. The BoF is in need of a permanent recorder.

**e. Capital Projects & Bond Status/Update • Resolution to Call the 2013 Capital Bond**  
*moved to start of agenda*

**f. FY19 Budget • FY19 Revenue Budget – Review and Possible Action • May 17th - Public Hearing @ 7:30 p.m. at PVMS • May 17th - Special Meeting to Approve Adopted Budget following Public Hearing Page 1 of 58 • May 31st – Annual Town Meeting @ 7:30 p.m. at PVMS (following Preston Palooza) • June 12th - Referendum**

**A motion was made by J. Grabarek and seconded by K. Wucik that the BoF Regular Meeting scheduled for June 20<sup>th</sup> is canceled and a Special Meeting be held on June 12<sup>th</sup> at 7:00 pm.**

**All in favor. Motion carries.**

M. Lennon met with Town Treasurer Sue Nylen who suggested changes to local revenues.

- Historic documents - \$600.00 to \$1200.00 because the State changed the recording fee from \$1.00 to \$2.00.
- Investment income - \$5,000.00 to \$10,000.00 due to increase in interest rates.
- Tower rent – \$17, 424.00 to \$19,166.00 because it is a standard payment.

**A motion was made by S. Becker and seconded by J. Grabarek to update the local revenue budget to \$368,966.00, to reflect the changes discussed.**

**All in favor. Motion carries.**

**A motion was made by I. Stammel and seconded by J. Grabarek to approve the State revenue FY19 budget of \$4,472,495.00 as presented.**

**All in favor. Motion carries.**

**11. New Business**

**a. Standard & Poor Meeting: Requests for 2018 Bonding Process**

- **Capital Investment Plan (criteria/definition of what qualifies as a Capital Project/Plan)**

- **Have policy: Capital Projects and Guidelines for Bonding (approved 8/2/2017)**

1<sup>st</sup> Selectman Congdon noted written policy will be needed for the next time the Town goes out to Bond.

M. Lennon stated she forwarded definition of Capital that the BoF had defined in August.

- **Debt Management Policy (long-term planning process: how frequently we are planning on bonding i.e. on a five year basis)**

M. Lennon explained that this is the Town's long term planning process; how often you plan on going out for Bond and the BoF will need to work on a policy.

- **Reserve Policy (put our practice in writing: we put 9 ½% in reserve)**  
A written policy will be developed by the BoF.

## **12. Future Action Items**

### **a. Auditor RFP**

Due in November

### **b. BoF By-Laws**

Tabled

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

None

## **14. Adjourn**

**A motion was made by S. Becker and seconded by J. Grabarek to adjourn the meeting at 9:25 pm.**

**All in favor. Motion carries.**

Respectfully submitted,

Roberta Charpentier  
recorder