

**Preston Board of Finance  
Regular Meeting  
Wednesday, June 16, 2021 at 7:30 P.M.  
Cafeteria – Preston Plains Middle School**

**Call to Order** – John Moulson called the meeting to order at 7:35 P.M.

**1. Roll Call**

***Members***

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

***Alternates***

Vacancy  
Vacancy

***Also Present***

Sandra Allyn-Gauthier – First Selectwoman  
Jerry Grabarek - Selectman  
John Spang – Financial Director  
Jill Keith – Town Clerk  
Melissa Lennon – Preston Youth Services Board Chair  
Amy Brosnan – Recreation Director  
Andrew Sawyer  
3 other members of the public

**2. Public Comment**

Melissa Lennon felt that the Board of Selectmen and the Board of Finance should revisit the Bid Ordinance that was last updated in 2014. She gave an example of lawn care and bidding process that is gone through to get that yearly service in place for the town. She suggested that it is time to look at the Bid Ordinance and structure the process that deals with services vs. items; and possibly amount that must go to bid.

**3. Correspondences**

- May 20, 2021 – John Spang – email: copies of the Audit Report
- May 28, 2021 – Nancy Musa – letter: in-person meetings guidelines
- June 6, 2021 – Andy Depta – email: stating that the Republican Town Committee at their June 1<sup>st</sup> meet is endorsing Andrew Sawyer to be an Alternate for the Board of Finance and attached resume
- June 11, 2021 – Gail Smith – email: invitation to the 8<sup>th</sup> Grade Graduation

#### **4. Approval of Minutes**

- a. **BoF Special Meeting of May 12, 2021** – Tabled until July meeting so that members can hear the recording themselves.
- b. **BoF Regular Meeting of May 19, 2021**

*Stacey Becker motioned to approve the Regular Meeting of May 19, 2021 Minutes. Andy Depta seconded the motion. The motion carried unanimously.*

- c. **BoF Special Meeting of May 20, 2021**

*Stacey Becker motioned to approve the Special Meeting of May 20, 2021 Minutes. Andy Depta seconded the motion. The motion carried unanimously.*

- d. **BoF Public Hearing of May 20, 2021**

*Stacey Becker motioned to approve the Public Hearing of May 20, 2021 Minutes. Andy Depta seconded the motion. The motion carried unanimously.*

#### **5. Candidate for Alternate – Interview and selections – RTC and DTC Chairmen Introductions**

Andrew Sawyer was introduced to the Board. He shared a bit of his background: lives at 100 Miller Road, the owner of Preston Ridge Vineyard, married with 3 children, presently a Finance Advisor.

Andy Depta pointed out that his resume was in the Board's packet and that he had asked that Jill Keith attend the meeting to swear in Andrew if he is approved by the Board.

Stacey Becker asked if he is aware of the time commitment he will need to give to the and that some of the meetings go from 7:30-10:30 or later. He felt that being an Alternate for 6 months was a good way to test the waters and realize if it is something that he can keep up with.

*Bob Congdon motioned to approve Andrew Sawyer as a Board of Finance Alternate. Andy Depta seconded the motion. The motion carried unanimously.*

Jill Keith, Preston Town Clerk, promptly swore in Andre Sawyer, who then joined the BOF members at the front of the room for the remainder of the meeting. He was not seated for the meeting.

#### **6. Town Revenue Status Report**

John Spang reported that State Aid for the school has been received, \$2,957,058. That the Mashantucket Pequot monies have not been received and that they typically come in the last week of June. When they are received, that will put the Revenues \$400,000 above budget.

Stacey Becker asked if the Other listed for \$70,000 was the Fire Department's contribution. It was believed so.

#### **7. BoE Financial Report**

John Spang reported that the Board of Education has spent \$10,634,149 or 86.8% of their budget thus far. Even though the salary and health insurance lines are over budget, money saved in

transportation and utilities which will allow the Board of Education to return funds to the Town. It's looking like approximately \$125,000 is expected to be returned to the Town.

At the May 28<sup>th</sup> Town Meeting \$65,000 was approved for paving the Preston Plains Middle School parking areas. Bids will be opened June 28, 2021 and 4 of the April 2020 bidders are still interested in the work. Work will be done between August 12-24 which falls between the Summer School Program and the beginning of the new school year.

**a. BoE Liaison Report**

**8. BoS Financial Report**

Sandra Allyn-Gauthier reported that the General Government budget is seeing savings in several areas: \$90,000 from PRA; \$12,000 from Senior Affairs; \$20,000 State Trooper to name a few. The savings on the State Trooper may not remain because the Trooper is temporary. Overall, barring no major changes it is expected \$165,000 will be returned to the Town.

Stacey Becker pointed out with the increased Revenues and the Board of Education and General Government's returns to the Town that hopefully the funds taken out of Undesignated Surplus last year to offset the budget won't be used.

**9. Old Business**

**a. Requested from the Conservation Commission and PZC for funding from the Open Space Fund for purchase of land jointly with Avalonia Land Trust.**

Sandra Allyn-Gauthier asked Gary Piszczek, Conservation Agricultural Commission Chair for specific information to share with Attorney Dunkin to formulate "Enforcement Rights" for the property that is to be purchased. Sandra Allyn-Gauthier will convene a meeting next week with all interested parties to discuss and establish "Enforcement Rights" so that the purchase can move forward.

**b. Conservation Commission request for funding the Amos Lake Association to assess invasive species in the Lake and to develop remediation.**

Funds for this were appropriated for this matter at the April 22, 2021 Meeting.

**10. New Business**

**a. King, King, and Associates Engagement Letter FY20-21**

Bob Congdon will scan the document and then email to members so that it can be discussed at the July Meeting.

**b. Plan of Action FY 20-21 Audit Report – John Spang**

John Spang presented a Draft to reconcile the Material Weakness in Internal Control Over Financial Reporting identified in the most recent Audit. He shared that additional staffing has been recently assigned to the Treasurer's office to ensure that all procedures and controls are in place, followed, and will continue. The Auditors will be back in the Town Hall July 15, 2021 to see what actions have been done so far towards their recommendations.

**1. Bank reconciliations are being prepared but not reviewed and signed-off on by another person monthly to ensure timely and accurate completion.**

We agree with the recommendation. Bank reconciliations prepared by the Treasurer will be initialed by the Finance Director for timely completion. Bank reconciliations prepared by the Finance Director will be initialed by the Treasurer for timely completion.

*John Spang explained that Bank Reconciliation for the General Government that he will sign off. And that for Cafeteria and Grants Sue Nylén will sign off.*

**2. The Town has not maintained a complete detailed listing of the capital assets and depreciation since 2014. Over the years, the additions and disposals were being layered on top of the listing from 2014 causing the estimated depreciation values to become increasingly further away from their actuals.**

We agree with the recommendation. A Request for Proposal is being prepared for this service.

*John Spang explained that they are still looking for a solution to this, possibly an outside agency to do this for the town.*

**3. A full trial balance including all revenues, expenditures, receivables, unearned revenues, interfund balances, and cash accounts is not being maintained for the education grants fund.**

10b. FY20 Audit Corrective Action Plan Page 43 of 61 We agree and also note that State of Connecticut reporting requirements, for receiving and spending these grants, do not require such steps. However, our new software, installed in July 2020 will provide this information necessary for our end of year audit.

*John Spang explained that Grant and regular funds/monies can't be mingled, must do what the state requires with Grant funds.*

**4. The planning and zoning bonds accounts reported in the General Fund were not reconciled in the last two years.**

We agree and will reconcile the bonds on a timely basis.

*John Spang explained that this hasn't been done to date.*

**5. Expenditures and related accounts payable were omitted from the capital projects fund related to the purchase of three new buses.**

We agree and will place expenditures into the correct funds.

**6. The interfund balances between the General Fund and the other funds were not reconciled on a timely basis.**

We agree and will reconcile interfund balances on a timely basis.

*John Spang shared that sometimes the funds are obtained from several departments or funds, but one check is written. It's important to document these procedures correctly.*

**7. The expenditures reported in the Phoenix accounting software were not reconciled with the expenditures reported in the QuickBooks file which is used to maintain the full trial balance.**

We agree and will reconcile subsidiary recordkeeping on a timely basis.

**8. A couple of the tax withholdings for Federal and Connecticut were not transmitted on a timely basis.**

We agree and will transmit tax withholding on a timely basis.

*John Spang pointed out that payroll is met every two weeks, but the holding from the payroll are not always done in a timely manner. He went onto say that transferring a staff member from the Tax Dept. to help with payroll made the process go more smoothly.*

**9. The previous year’s audit adjustments were not recorded in the financial systems and the files reconciled to the prior year audited financial statements.**

Unfortunately, we never received the audit adjustments but nonetheless we agree with the recommendation and will record audit adjustments on a timely basis into the financial systems.

*John Spang explained that 5-12 adjustments weren’t received from Sandra Welwood nor were they entered.*

**10. The Town and the Board of Education do not currently have formalized accounting policies and procedures manuals detailing the daily, monthly, quarterly, and year-end closing procedures.**

*John Spang shared that they have started to outline the Policy and Procedures that are to be followed. Having the Infinite Vision Program has led to a number of significant changes. We are working very hard to be able to prove that we are following their recommendations when they return in July.*

Board members then discussed the draft and the possible completion of the document. Both Stacey Becker and Bob Congdon stated that they felt the term “timely manner” was too vague. Bob Congdon felt some of the tasks, such as the withholding taxes, should be completed within 24 hours, while others need a specific date. It was also brought up that with Town Treasurer no longer a voted position what steps are being made for that transition.

Sandra Allyn-Gauthier explained that a job description is being developed. John Spang added that the experience the person brings to the job and their exposure to banking will greatly impact the need for any additional training that the town would need to provide.

**c. Budget Referendum Results**

**1. If proposed budget is approved vote on FY 21-22 Mil Rate**

Question 1 – Board of Education Budget	Yes – 192, No – 99
Question 2 – General Government Budget	Yes – 210, No – 81

Commented [KL1]:

John Spang shared that earlier today in Hartford, decisions were made and some decisions are yet to be made. He pointed out that the financial aid expected from the state has become uncertain. He shared an email from CCM about the proposed Aid to Distressed Municipalities, it stated that the proposed State Budget does not include State Aid for Distressed Municipalities. That would be \$400,000 that Preston may not see from the state. Mr. Spang went on to say that it may come in the form of PILOT (Payment in Lieu of Taxes). Unfortunately, this greatly impacts the Budget that was just voted on, the Revenue forecasted for the Budget that just past is \$400,000 too high.

Stacey Becker figured that to keep the mil rate at 26.61, a total of \$806,000 is needed from Surplus to offset the loss of the distressed municipality revenue. The new State Revenue Budget was

\$4,145,884 (total minus State Aid and LoCIP). She did point out that the Unassigned Funds assigned to offset additional mil rate increases have not been spent since 2018 due to annual monies returned from the BOE and BOS and higher local revenues received than originally budgeted. However, to keep the mil rate at the 2020 rate of 26.94, an additional \$210,000 out of Surplus would be needed to bring the total Unassigned Fund amount to encumber from \$450,000 to \$660,000.

***Bob Congdon motioned to set the Mil Rate for 2021 at 26.94 and that \$660,000 be taken from the Undesignated Surplus Fund to offset the FY21-22 Budget. Andy Depta seconded the motion. John Moulson, Bob Congdon, Andy Depta, and Zach Maurice voted in favor, while Stacey Becker voted no. The motion passed 4 to 1.***

**d. Melissa Lennon, Preston Youth Services Board request re: Story Boards**

Melissa Lennon describe that a Story Walk is a series of display boards that have a two-page spread of a picture book. Participants read those pages and move onto the next board to continue reading the story. She explained that the Town Library, Recreation Dept., and the Youth Service Board have teamed up to create a Story Walk in town. A recent town survey show that citizens felt that the town was lacking programs for the Birth to 5 age group and this would meet that need. It would be placed at Preston Community Park which would add more to that area. It will foster literacy and physical activity for families to share.

The issue is that Town Bid Ordinances require that the purchase of the Story Boards, requires getting 3 bids before purchase. There is only one company, Barking Dog, in the entire country that makes these boards so to obtain the required 3 bids is impossible. The Barking Dog quote is for \$6,010.80. The group has looked at how others have made their own boards, but all were rejected due to quality or issues. The Preston Youth Service Board has all the funds need for the project and are requesting the Board of Finance waive the Bid requirements so this project can move forward.

***Bob Congdon motioned to waive the Bid Ordinance and allow the Preston Youth Service Board to purchase Story Boards for \$6,010.80. Zach Maurice seconded the motion. The motion passed unanimously.***

**11. Public Comment**

Sandra Allyn-Gauthier stated that she agreed with previously stated comment that the Bid Ordinance needs to be revised.

Jerry Grabarek stated that he also felt that the Bid Ordinance need to be revised that the amounts are set too low.

**12. Adjournment**

***Andy Depta motioned to adjourn at 9:15 P.M... Zach Maurice seconded the motion. The motion carried unanimously.***

Respectfully Submitted,  
*Kimberly Lang*  
Recording Secretary