

Preston Board of Finance
BoF Regular Meeting
Wednesday, July 18, 2018 at 7:00 pm
Preston Town Hall

1 Call to Order & Roll Call

Melissa Lennon, Chair called the meeting to order at 7:09 pm

Members

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

Alternates

Ian Stammel – seated for K. Wucik
Lennie Spencer – absent

Also Present

Bob Congdon, First Selectman
John Spang, Financial Director
Christine Cocheo, recorder

2 Public Comment & Questions (per posted Town Ordinance)

- Andy Depta discussed the BoE meeting on 7/17 and that they chose to bring a request back to the BoF for a public hearing on 7/31. Noted that he researched other towns in CT and their actions on budgets that were defeated 2 times at referendum and the BoF in those towns did their job and came up with cuts to the BoE and town budgets. Noted that this BoF is the financial body of Preston. BoE is not. Requested to move budget process on and that the BoF come up with a figure to reduce the BoE budget for the BoE to act on, then take back to town meeting and referendum.
- Susan Strader stated the BoF's job is to be the fiscal voice of the town and they are doing their job. Stated her disappointment that the town is where it is at right now in terms of the budget not passing and that there is misinformation out there and people are not asking the experts to get their information.
- Pat Biggins said she had been in Preston 12 years and the budget has only passed the first time twice. Proposed we change methodology of budgets going forward to start looking long term. We have depended on our surplus to help with the mil rate. Over past 5 years state funding has gone down for this town \$400,000, and our education budget has gone up \$1.3 million. There is also uncertainty about

Preston Riverwalk. Suggested looking at goal for mil rate each year. Once surplus is gone we will have to put money in the budget to cover the 9.5%, estimated at least \$40,000 a year. Now is not the time to add new programs or expand school system, now is the time to support the quality of what we have in place.

- Rob Beruby agreed with Andy and Pat. Suggested the BoF give BoE a number and tell them to work with that number. BoE is driving the BoF but it should be the other way around
- Bridget, Parks Rd, agreed with Andy and Pat. In regards to BoE having a public hearing to explain budget it might not be beneficial because the same people will come who have already had the opportunity to ask clarifying questions and it would further elongate the process. Her main concern with the budget is the amount BoF is withdrawing from surplus and what will happen down the road when we don't have that surplus. BoE budget will be set so the mil rate will keep increasing. Citizens have made it clear they are unhappy with the budget.
- Steve Cawley agreed with Mr. Beruby. Any new expenditures should be frozen. Non mandated UPK should be reverted to a sliding scale and not be paid for by taxes by citizens
- Sean Nugent, BoE chairperson, pointed out key drivers for budget request are secondary tuition went up \$187,054, salaries went up \$360,668, health related to salaries went up \$65,460, and administration went up \$3,738 for a grand total of \$616,920. We offset that by \$261,005 in other areas. The original increase we requested was \$355,915 for a 3% increase. Currently requesting \$215,915, a 1.84% increase. Regarding increases, we have no choice in some area.
- Kellen Strader said he grew up in this town and went through the school system and would like to make sure the quantity and quality of education does not go down.
- Andy Biladou asked the BoF to cut the BoE budget further and proceed to a town meeting. Said he does not need further education from BoE and suggested a cut of a flat fund BoE budget from last year and eliminate non mandatory budgets.
- Susan Strader discussed that we are not increasing or bringing in new programs but are supporting programs already in place such as higher class sizes. Stated that 21st century education is very different and encouraged townspeople to visit classrooms to see what education is like today. Noted it is our responsibility to support education and the need to be open to growth.
- Rob Beruby as an educator affirmed that you can cut programs and personnel and children will still get quality education
- M. Lennon read a letter from Jill Keith discussing her disappointment with BoE failing to include budget priorities in their request.

A motion was made by I. Stammel and seconded by S. Gauthier to take the agenda out of order.

All in favor. Motion carries.

9e FY19 Budget

- M. Lennon read an email from Sean Nugent recommending a public hearing Tuesday July 31 at 7 pm at PVMS
- M. Lennon read letter BoF sent on July 11, 2018 recommending a public hearing
- BoF discussed the public hearing and proposing a budget cut now vs after the hearing
- M. Lennon noted there are huge risks with a flat budget
- K. Zachem noted a flat budget would give a baseline and BoF can give needed aid to BoE in May

A motion was made by J. Grabarek and seconded by K. Zachem to cut the BoE Budget by \$75,000 and recommend that the BoS go to a town meeting by 8/2.

Motion amended.

A motion was made by J. Grabarek and seconded by K. Zachem to amend the motion from "cut the BoE Budget by \$75,000 and recommend that the BoS go to a town meeting by 8/2" to "cut the BoE Budget by \$75,000 to bring it to \$11,831,804.20 and recommend BoS call a town meeting on 8/9 with a referendum for 8/21."

In favor – J. Grabarek, K. Zachem, K. Zachem, I. Stammel

Opposed - S. Becker

Abstain – M. Lennon

Motion carries 4-2.

- Regarding CGS 7-405 J. Spang discussed Estimated Essential Expenditures.
- M. Lennon read a letter from Sue Nylen regarding auditing

A motion was made by J. Grabarek and seconded by K. Zachem to authorize NTE \$60,000 to pay payroll and payroll taxes for BoE Budget for the month of July.

All in favor. Motion carries.

A motion was made by I. Stammel and seconded by J. Grabarek to authorize \$58,091.19 to pay payroll and payroll taxes for the General Government Budget for the month of July.

All in favor. Motion carries.

A motion was made by J. Grabarek and seconded by S. Gauthier to authorize \$401,429 to BoE for necessary expenditures for mid-July through August.

All in favor. Motion carries.

A motion was made by I. Stammel and seconded by K. Zachem to authorize NTE \$200,000 between now and August 15 to cover payroll and necessary expenditures for BoS with an itemized list of expenditures of accounts due at our last meeting.

All in favor. Motion carries.

**A motion was made by K. Zachem and seconded by J. Grabarek to authorize the treasurer to pay all debt service bills in the amount of \$517,995.35.
All in favor. Motion carries.**

**A motion was made by I. Stammel and seconded by S. Gauthier to move back into agenda order.
All in favor. Motion carries.**

3 Approve Meeting Minutes

**A motion was made by K. Zachem and seconded by S. Becker to approve 6/12/18 meeting minutes as presented.
S. Gauthier abstains. All voting members in favor. Motion carries.**

**A motion was made by J. Grabarek and seconded by I. Stammel to approve 6/19/18 meeting minutes as presented.
S. Gauthier abstains. All voting members in favor. Motion carries.**

**A motion was made by K. Zachem and seconded by J. Grabarek to approve 7/10/18 meeting minutes as presented.
S. Gauthier and I. Stammel abstain. All voting members in favor. Motion carries.**

4 Correspondence

- Reviewed email from A. Depta asking questions about BoF meeting regarding the budget
- Reviewed email from Janis Farese requesting documents about employee salary information
- Reviewed email from Preston Public Schools thanking me for representing the BoF in attending their 8th grade graduation ceremony
- Reviewed chain email from A. Depta regarding M. Lennon's comment regarding misinformation

5 Town Revenue Status & Financial Reports

- J. Spang discussed Profit & Loss Budget vs. Actual for Preston General Fund
- J. Spang discussed the Balance Sheet

6 Board of Education Financial Report

- a. BoE FY18 Financial report
 - BoE did not meet this month. Expecting \$114,000 to be returned
- b. BoE Finance subcommittee update
 - No report

7 Board of Selectman Financial Report

- a. BoS FY18 Financial report

- B. Congdon noted we are in same position as last month. Will present any necessary transfers at the next meeting
- 8 Preston Redevelopment Agency
- S. Nugent is working on getting an update on grants and gave an update on beginning preparation for remediation on site
- 9 Unfinished Business
- a BoF Annual report of FY017
- S. Becker is hoping to have it done by the end of July for the August meeting
- b BoF Electronic device for BoF Clerk
- S. Becker suggested purchasing new device

A motion was made by J. Grabarek and seconded by K. Zachem to reaffirm the motion on April 10, 2018 to approve transferring \$2,000 from line 3320, data processing, to line 3340, to purchase an electronic device to be used for the BoF Clerk not to exceed \$300 and the balance to cover software and BoF legal fees.

S. Becker abstains. All voting members in favor. Motion carries.

c BoF Policies

- Discussed progress on Capital Investment Plan
- Discussed progress on Debt Management Policy
- Reviewed BoF Liaison Policy

A motion was made by K. Zachem and seconded by S. Becker to accept the Liaison BoE Finance Committee Policy as written.

M. Lennon abstains. All voting members in favor. Motion carries.

- Discussed progress on Reserve policy

d BoF Recorder

- This is Christine's last meeting as recorder, so we have a vacancy in the Recorder position

10 New Business

- Discussed members preferring paper vs. digital meeting packet. Decided to continue with double sided paper copies

A motion was made by I. Stammel and seconded by J. Grabarek to add Spending of Capital Money to the agenda.

All in favor. Motion carries.

A motion was made by J. Grabarek and seconded by K. Zachem to suspend all Capital Expenditures from bonds for 90 days.

All in favor. Motion carries.

11 Future Action Items

- a. Reminder of Auditor RFP
- b. BoF Bylaws tabled
- c. Discussed closing date of books

A motion was made by K. Zachem and seconded by J. Grabarek to request BoE and BoS to give BoF a final closing of the previous year's budget books by September 1 of this year.

Opposed by M. Lennon and S. Becker.

In favor – K. Zachem, J. Grabarek, S. Gauthier, I. Stammel.

Motion carries 4-2.

12 Public Comment & Questions

- N/A

13 Adjourn

A motion was made by K. Zachem and seconded by I. Stammel to adjourn the meeting at 10:02 pm.

All in favor. Motion carries.

Respectfully Submitted,



Christine Cocheo
Recording Secretary

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