

**Preston Board of Finance
BoF Special Meeting Minutes
Thursday, October 4, 2018 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 7:03 pm

Members

Melissa Lennon – Chair
Jerry Grabarek – Vice Chair
Stacey Becker – Clerk
Sandra Allyn-Gauthier
Keith Wucik
Ken Zachem – arrived at 7:23 p.m.

Alternates

Lennie Spencer - absent
Ian Stammel – excused

2. Public Comment & Questions (per posted Town Ordinance)
None

3. BoF Policies

a. Reserve Policy

***A motion was made by K. Zachem and seconded by J. Grabarek to accept the Preston Board of Finance Policy Regarding Reserve with the changes suggested.
All in favor. Motion passed.***

4. BoF By-Laws

***A motion was made by K. Zachem and seconded by J. Grabarek to follow State Statute and the Handbook for Connecticut Boards of Finance as a guide to conduct official BoF business and review this decision in 2020.
All in favor. Motion passed.***

5. CCM Convention – Attendees

***A motion was made by S. Becker and seconded by J. Grabarek to approve \$150 from line 1-102-3340-5609-0000-0000 BoF Training for two BoF members to attend the CCM Convention on October 30, 2018.
All in favor. Motion passed.***

6. Public Comment & Questions (per posted Town Ordinance)
None

7. Adjourn

***A motion was made by S. Becker and seconded by K. Zachem to adjourn at 7:38 p.m.
All in favor. Motion passed.***

Respectfully submitted,

Melissa Lennon
BoF Chair

Preston Board of Finance

Policy Regarding Reserve (Unassigned Fund Balance)

The Town of Preston (the "Town") shall maintain an Unassigned Fund Balance (The "Fund Balance") to improve and maintain the Town's financial stability. The Fund Balance provides a reserve to the Town in the event of unforeseen or unbudgeted situations, such as, but not limited to, declining tax collection rates, loss of a major taxpayer, sudden changes in revenues or spending requirements, natural disasters, major infrastructure failures, or unexpected litigation.

Definition:

Fund Balance – the available financial resources of the Town that have not been designated for a specific purpose

Target:

The Town strives to maintain a Fund Balance of 9.5% of its approved annual operating expenditures (including debt service).

Use of Fund Balance:

1. If the Fund Balance exceeds 9.5%, then the excess over the 9.5% may be used as determined by majority vote of the Board of Finance members present at an official meeting. The funds can be used to repay debt (if permissible), capital projects, or other one-time uses.
2. If the Fund Balance falls below 9.5%, then the Board of Finance shall adopt a plan with the approval of a 2/3 vote of its members to restore the Fund Balance to 9.5% over the next two fiscal years and to replace funds over 5 fiscal years.