**DRAFT**

STATE OF CONNECTICUT

MUNICIPAL ACCOUNTABILITY REVIEW BOARD

**SPRAGUE SUBCOMMITTEE**

**REGULAR** MEETING MINUTES

**Meeting Date and Time:** Thursday, March 23, 2023, 12:30 PM – 2:00 PM

**Meeting Location:** This was a virtual meeting. Meeting materials can be found at

 [Municipal Accountability Review Board (ct.gov)](https://portal.ct.gov/OPM/Marb/Municipal-Accountability-Review-Board)

**Call-in Instructions**: Telephone: (860) 840-2075

Access Code: 340 701 005

Members in Attendance: Kimberly Kennison (OPM Secretary designee), Andrea Comer (State Treasurer designee), Sal Luciano

Town Officials in Attendance: First Selectman Cheryl Blanchard, Melissa Sevigny, Superintendent William Hull, Michele Demicco

OPM Staff in Attendance: Simon Jiang, Lori Granato, Bill Plummer, Michael Reis, Lori McLoughlin

1. Call to Order

The meeting was called to order at 12:36 PM. Mrs. Kennison introduced Andrea Comer, Chief of Staff, designee of Treasurer Erick Russell.

1. Approval of Minutes:
	* 1. May 26, 2022 Subcommittee Regular Meeting

Mr. Luciano made a motion to approve the minutes, with a second by Ms. Comer. The minutes were approved by a vote of 2-0-1 with Ms. Comer abstaining.

1. Presentation: FY 2022 Audit and Management Letter

The FY 2022 Audit report was issued on February 13, 2023, with an unmodified opinion. The Town’s Auditor, Sean O'Grady from King & King Associates presented the audit report. The general fund total fund balance at June 30, 2022, was approximately $495,000. The calculation of the loan repayment on the total fund balance is 5% of the general fund basis expenditures. The general fund had a surplus of approximately $148, 000 after an additional transfer to Capital non-recurring of $413,000 to reduce the deficit balance. The general fund balance remains below the 5% repayment threshold.

State Single Audit Report - the Auditor issued an unmodified opinion with one audit finding which was corrected before this presentation.

Federal Single Audit Report – the Auditor issued an unmodified opinion with no finding.

The Town received no management letter for FY 2022 from the Auditor.

1. Review and Discussion: Board of Education FY 2024 Recommended Budget

William Hull, BOE Superintendent provided an overview of the proposed FY 2024 Board of Education budget. The total budget is approximately $7.3M, representing an increase of $413,191, or 5.99% from FY 2023 budget. The driving factors include a 1.47% increase in regular tuition, a 3.30% increase in special education, a 2.07% increase in transportation for special education, 1.05% increase in health insurance along with inflation. This is a bare bones budget including a reduction of 6.5 noncertified, full-time equivalents.

1. Review and Discussion: Board of Finance FY 2024 Recommended Budget

First Selectman Cheryl Blanchard presented the FY 2024 budget. The budget represents a little less than a half a percent increase. This was accomplished by the shifting of Personnel.

There is no plan for a transfer to the reduction of the deficit for the capital non-recurring fund as they are hopeful that by the end of Fiscal 2023 the town will be able to erase that.

Ms. Kennison suggested the Town increase the capital non-reoccurring line in the budget to build up a reserve. Ms. Blanchard mentioned that there is a contingency of $40,000. Ms. Kennison suggested increasing that amount to allow for deferred maintenance over the next five years. This will be added to the open items list to work on. The Town will present the budget to a public hearing then bring it back.

1. Update: Grand List

Ms. Blanchard indicated that The Town underwent a scheduled property revaluation for the 2022 Grand List, which resulted in a 34.6% overall increase to the Grand List. This revaluation has driven a mill rate decrease of approximately 8.15 mills from 36.25 to 28.10 mill rate, however, still represents a tax levy increase. Ms. Kennison requested that the Town provides OPM with a report reflecting an increase to the mill rate to 28.5, 28.75 or 29.00 to allow more room for potential future unforeseen expenses. The 5-Year Plan is pending.

Ms. Kennison inquired about the dam renovation. The town shared that they planned to hold a public hearing to discuss the options between removal or repair of the dam, prior to requesting a proposal.

1. Other Related Business

There was no other business.

1. Adjourn

Mr. Luciano made a motion to adjourn with a second by Ms. Kennison. All in favor. The meeting adjourned at 1:16 PM.