

APPROVED
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD
SPRAGUE SUBCOMMITTEE
SPECIAL MEETING MINUTES

Thursday, March 1, 2019 3:00 PM

Sprague Town Hall, 1 Main Street, Baltic, CT

MARB Members Present: Secretary McCaw (phone), Sal Luciano, Stephen Falcigno (phone), David Walker (phone), Mark Waxenberg (phone), Linda Savitsky (phone)

MARB Staff Present: Julian Freund, Alison Fisher (phone)

Town Representatives Present: First Selectwoman Osten, Melissa Seigny, Superintendent Erwin, BOE Chair Megin Sechen, Business Manager Rachel Moser, Former Interim Business Manager Phil Russell, Board of Finance Chair Ann Marie Osowski, Board of Finance member Gerry Lachance

Agenda

I. Call to Order

Secretary McCaw called the meeting to order at 3:05 PM and provided those in attendance with background on the Town's status as a Tier II municipality.

II. Review and Discussion: Town of Sprague 5-Year Plan

First Selectwoman Osten presented the Town's proposed 5-Year Plan and the circumstances that led to the significant budget deficit in FY 2018 that resulted in a negative General Fund balance. The magnitude of the FY 2018 deficit, driven largely by an \$835,000 over-expenditure of the Board of Education budget, was not recognized until late in the fiscal year. The Town is seeking ways to hold the prior BOE Business Manager accountable for having provided false and misleading financial information to the BOE. Mr. Walker asked if there is any evidence of the former manager having taken any money. Ms. Osten replied that there is not. Secretary McCaw pointed out that implementing certain internal controls would mitigate against this re-occurring, such as requiring regular financial reports supported by summaries of the ledger. Secretary McCaw and several members asked to be provided with FY 2017 and FY 2018 actuals and projections for the current fiscal year for both the Town and BOE.

The First Selectwoman Osten also described the Town's economic development initiatives and efforts to generate income to offset last year's deficit, including a one-time sale of scrap metal from a commercial property the Town previously foreclosed on. Secretary McCaw asked about the assumptions for grand list growth in the five year plan. The plan assumes no grand list growth, but Ms. Osten outlined several projects that may provide some growth

to the tax base in future years including several small housing developments, the possibility of additional future solar farms and potential development projects at factory sites.

Ms. McCaw asked about possible efficiencies through regionalization. First Selectwoman Osten described several regional initiatives in which the Town participates, including the regional health district and regional equipment purchasing initiatives. The Town is exploring regionalizing blight and building enforcement through the Southeast Council of Governments. A regional approach to tax collection was also mentioned, though that would require a charter change.

First Selectwoman Osten described an ordinance that was recently passed that she believes is a step in the right direction for improving financial reporting but noted that mechanisms to enforce it are limited.

Mr. Waxenberg noted the audit document and the exhibit depicting where some of the cost overruns occurred, including tuition costs.

Members discussed preparing a summary of the meeting to be presented to the full MARB and a list of follow-up information to be provided by the Town and Board of Education.

III. Adjourn

The meeting adjourned at 4:15 PM.