

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

**Meeting Date and Time:** Thursday, April 26, 2019 10:00 – 11:30 AM

**Meeting Location:** Sprague Town Hall, 1 Main Street, Baltic, CT

**Members in Attendance:** Deputy Treasurer Linda Savitsky, Mark Waxenberg, Stephen Falcigno

**Local Officials in Attendance:** First Selectwoman Cathy Osten, Melissa Sevigny, Superintendent Irwin, Rachel Moser

**Staff:** Alison Fisher, Julian Freund

I. Call to Order

The meeting was called to order at 10:00 AM.

II. Approval of Minutes of March 28, 2019 Subcommittee Meeting

A motion was made by Mr. Waxenberg with a second by Mr. Falcigno to approve the minutes of the March 28 special meeting. Superintendent Erwin noted two corrections regarding which staff had not received salary increases in the three prior years. The minutes reflecting the revision were approved with Deputy Treasurer Savitsky abstaining.

III. Review of information re: BOE Recommended FY 2020 Budget

Subcommittee members discussed the recommended Board of Education budget noting that most of the year to year increase is driven by salary increases. Grant funds have not been budgeted consistently in recent years. The current fiscal year budget includes a \$200,000 lump sum grant offset, in addition to grants that offset specific expenditure items. Mr. Waxenberg asked if the budget request includes grants or not. The BOE administration has constructed the budget for FY 2020 to be consistent with the current year budget. The approved budget for the current year and the budget recommended for FY 2020 are both net of anticipated grants.

Deputy Treasurer Savitsky suggested the Business Office provide the source documents along with the monthly financial reports. The Business Office will provide the source documents with future reports.

Subcommittee members and officials discussed the amounts and types of grants that could reliably be included in the budget. For subsequent years, it was recommended that all grant resources be represented in the budget. For certain grants that are not routine or predictable, they may be included in a separate exhibit or appendix with their corresponding expenses.

Members discussed Special Education costs. Superintendent Erwin explained that the Special Education budget is developed based on historical data, in vs. out of district placements, and recommendations

from Special Education team. Members also discussed the tuition costs and the number of high school choices available to students. Questions were raised as to whether the town has financial capacity to offer such a range of choices. The large number of choices drives both tuition and transportation costs higher. Superintendent Erwin said that the BOE is beginning to examine the issue. Any limitations on choices would have impacts on FY 2021 and beyond, but would not affect FY 2020.

Ms. Savitsky stressed that the budget should be a plan that is realistic and based on expectations of the real cost of government. Mr. Waxenberg suggested the Town needs to build its unallocated fund balance to be able to cover unexpected costs. The Town needs to start with a realistic, known budget. Mr. Falcigno also suggested adding some kind of buffer that the town will support. Otherwise, the Town will be back before the State requesting more assistance. Members discussed the possibility of conducting an enrollment audit to ensure that tuition billing is accurate.

#### IV. Review and discussion re: Town Recommended 2020 Budget Assumptions

As a Tier 2 community, the Town of Sprague will be required to obtain MARB approval of certain budget assumptions, including property taxes, collection rates and state revenues.

The Board of Finance working draft budget was shared with the subcommittee. It is based on a mill rate of 34.25 mills, an increase of 1 mill over current year. The tax calculation is based on the October 2018 Grand List. The tax collection rate is 97%. The last audited collection rate was 97.7%. State Aid amounts in the budget are consistent with the amounts in the Governor's proposed budget.

Ms. Savitsky offered the assistance of the Office of the Treasurer in helping the Town plan for its next bond issue. Ms. Osten indicated that she will be updating the 5-Year Plan as the Town progresses through the budget process.

#### V. Adjournment

11:35