

**Lebanon Board of Finance**  
**Regular Meeting - April 16, 2024, at 7:00 pm**  
Town Hall Conference Room (in-person) and via Zoom

**Members Present:** Mike Nintean (Chair), Philip Johnson (Vice-Chair), Diane Malozzi (Secretary), Gregg Lafontaine, Justine Spielman, Harold Nelson.

**Alternates Present:** John Noblet, Giselle Russo

**Virtual Present:** Hayley Messier (via zoom)

**Also present:** Kevin Cwikla, First Selectman; Hayley Wagner, Finance Director

Recording begins.

**1.0 Call to Order** – Having established a quorum, M. Nintean called the meeting to order at 7:00 pm

**2.0 Correspondence**

All listed correspondence are comments relating to the FY2024-2025 BOF proposed budget.

- a. April 6, 2024 from Ed Tytor, Clubhouse Rd.
- b. April 10, 2024 from Thomas Dunham, no address given.
- c. April 10, 2024 from Wayne Budney Geer Rd.
- d. April 11, 2024 from Michael & Shannon Donofrio, no address given.
- e. April 11, 2024 from Scott McCall. McCall Rd.
- f. April 13, 2024 from Marcel/Dawn Jacques, Lake Shore Dr.
- g. April 14, 2024 from Mike Rota, Bogg Lane
- h. April 15, 2024 from Samantha Collins, Lynch Rd.
- i. April 15, 2024 from Christine Branciforte, Lawrence Dr.
- j. April 15, 2024 from Carrie Schwartz Levita Rd.
- k. April 16, 2024 from Allison Lang, Kingsley Rd.
- l. April 16, 2024 from Mike Thompson, Meadows Ridge Rd
- m. April 16, 2024 from Marisa Seng, Tobacco St.
- n. April 16, 2024 from Janice Knudsen, Babcock Hill Rd.
- o. April 16, 2024 from Kimberly Meanix Miller, J. Miller, no address given.
- p. April 16, 2024 from Donna Skaats, Clubhouse Rd.
- q. April 16, 2024 from Chantal Polineni, no address given.
- r. April 16, 2024 from Tammy Raymond, Lawrence Dr.
- s. April 16, 2024 from Lana Raymond, no address given.
- t. April 16, 2024 from Shawn Archer, no address given.
- u. April 16, 2024 from Mark Matkovich, Beaumont Highway.

**3.0 Public Comments**

None

**4.0 Consent Agenda**

D. Malozzi MOVED to add the minutes from the Public Hearing on 4/15/24 as item 4f to the agenda H. Nelson SECONDED.

MOTION CARRIED: 6:0

M. Nintean asked if there were any objections to approving the consent agenda.

P. Johnson objected to 4d and G. Lafontaine objected to 4f.

- a. **Minutes – Policy & Procedures Subcommittee meeting February 27, 2024 – informational only**
- b. **Minutes – Special BOF meeting March 9, 2024**
- c. **Minutes – Regular BOF meeting March 19, 2024**
- d. **Removed**
- e. **Minutes - Special BOF meeting March 28, 2024**
- f. **Removed**

*M. Nintean hearing no further objections the consent agenda is approved.*

- d) P. Johnson corrected the minutes of 3/26/24, under section 3.1 by striking out \$5,00.000 and inserting \$5,000.00. and striking out \$92,00.000 and inserting \$92,000.00.

*Item 4d approved without further corrections.*

- f) G. Lafontaine corrected minutes of 4/15/24 under section 3.1, second comment by L. Charron by striking out the first sentence and inserting; a mill rate of 20.5 would keep the budget flat. The current proposed mill rate is 1 mill higher, not 4.5 mills.

*Item 4f approved without further corrections.*

## **5.0 Town-wide Updates:**

### **5.1 BOE Update with Superintendent Gonzalez**

No update provided.

### **5.2 Town Update with First Selectman Cwikla**

This meeting will be the last meeting at the Town Hall. Some departments will be relocated to the Community Center during renovations. Finance Office will be located at the Senior Center.

## **6.0 Fiscal Year 2023-2024 Financial Reports from the Town and Board of Education.**

The Board reviewed the financial reports with the Finance Director.

### **6.1 Expenditures (Town and BOE)**

P. Johnson asked if Dept.415 Computer Services will be going overbudget. H. Wagner responded, not likely. M. Nintean said the overage in the BOE snow removal seems it could be problematic. The board will reach out to the BOE to try to have earlier communication if the same situation arises.

### **6.2 Revenues**

D. Malozzi asked if there is any chance the 9% shortage will be made up within the next three months. H. Wagner said the ECS funds and school tuition have not been received. The Vo-Ag Grant from State has just been received.

### **6.3 Town Improvement Plan (TIP)**

D. Malozzi said the report totals are fine but the report layout is confusing. The Board offered suggestions for the future.

### **6.4 Quarterly School Improvement Plan**

This will be included in the budget packet on a quarterly basis to be in compliance with the School Improvement Policy. Technology and Athletics are included in this policy.

### **6.5 Quarterly BOE Non-lapsing**

Current balance is \$80,000.00

### **6.6 Quarterly Capital projects update**

M. Nintean said he and the Finance Director H. Wagner met with Superintendent Gonzalez about the 5 BOE projects on the list which are the Alarm upgrades, the LES gym floor, the School Study, the LMHS roof repair, and the LES asbestos abatement. Superintendent Gonzalez said many of these projects are loose estimates and will come in higher. M Nintean said he asked the Superintendent to hold off the gym floor project until the school study is complete. The funds from that project would cover the cost of the other projects. Superintendent Gonzalez said the BOE will proceed with all 5 projects. The shortfall is approximately \$33,000.00 and has been no discussion where the funds would be drawn from.

## **7.0 New Business:**

### **7.1 Discuss Public Hearing**

H. Nelson said he would like to see a reduction in the BOE budget for the budget to pass his reasoning being impact to taxpayers and the current staffing levels at the schools.

P. Johnson said the budget is where it needs to be with the exception of adding \$5,000 to the library budget.

J. Spielman said the BOE budget is fair across the board for residents and her views on how the BOE could save on staffing utilizing part time positions.

D. Malozzi said some cuts need to be made possibly from Capital or Education.

P. Johnson said in past when we have reduced BOE budget with hopes that cuts would be made

to administrative side, it always seems to effect teachers. Would like to see a tiered mill rate in the future.

G. Lafontaine said the topic is the public hearing, and he saw a small sample of those in favor of the budget. He looked at the budget from the expenditure side and the increase of 4.66% over last year doesn't seem outrageous and would possibly fly with most taxpayers. The disrupter here is reval which has redistributed the tax obligation and seemed to have most people in disarray regarding budget proposal. Mr. Lafontaine said he is comfortable with the expenditure side but would like to discuss the funding side.

G. Russo would like to look at more about the funding side of the budget rather than cut.

D. Malozzi said the proposed budget is good but could be lowered by looking at fund balance. Possible reductions to capital can be managed.

H. Nelson concerns regarding drawing down fund balance.

G. Lafontaine said to help our taxpayers live with the fact of increases would support the use of fund balance for a one time use to help. Current unassigned fund balance is at \$4,783,000 which represents 15.5% of total town budget. G. Lafontaine explained 14 – 17% fund balance thresholds and bonding.

P. Johnson said using fund balance one time could help soften blow on tax payers but that one time hit may come back next year as an issue.

D. Malozzi said that we can use fund balance one time to offset capital but does not support using fund balance for operating expenses.

H. Nelson said any use of fund balance should be made with caution.

G. Lafontaine said he has never been an advocate of using fund balance but he views this redistribution from reval as an extraordinary circumstance and to help with the shift of taxes to the taxpayer he would support a one-time use of fund balance. He asked what the unassigned fund balance is at. H. Wagner said it is at \$4,783,000.00 which represents 16.5% of the policy goal to remain between 14-17 percent.

P. Johnson cautioned we have already taken a onetime hit and says if we do another onetime hit it could hurt us down the road.

D. Malozzi said she will not support for operating budget, but by taking something off of capital that item will not show up next year.

J. Spielman said she would support using fund balance for a onetime use.

H. Wagner shared report of fund balance as of June 30, 2024, showing purchases against fund balance with the ending balance.

M. Nintean said he is concerned with taking from fund balance since the budget includes \$586,000.00 which is a onetime addition to capital. We know that within next budget process we will need to do something with the Public Works building. When the School Study is complete, there will be major expenses for schools and necessary bonding needed. Perhaps if we cut the tree budget by 50% and then see if surplus can cover the remainder. He said the education budget could be lowered to 4.2% increase rather than take too much from capital. He said he would like to see additional cuts to the BOE budget. Core services need to be funded. Mr. Nintean gave a brief explanation of what would transpire should the budget fail at referendum. He doubts this budget will pass referendum.

P. Johnson said that the budget will pass as presented.

D. Malozzi asked if the Board has a target number for lowering the budget to help redistribute the tax burden.

G. Lafontaine said he would rather see funding capital expenses in order to maintain budget goals rather than lower the BOE budget.

D. Malozzi said she is concerned about funding some upcoming projects in capital for the schools until school study is completed.

J. Spielman asked why the school study is generalized under the school and not a town wide

project. She said expenses for FY23-24 look like they will come in under and revenue will most likely be over. These funds are not showing in added funds to fund balance.

K. Cwikla asked if we will have numbers because we are under time constraints. The next BOS meeting is Thursday and will numbers be ready by then.

A discussion ensued regarding time frames, legal opinion and past practices.

D. Malozzi said the Board needs a bottom-line number to vote on. If that fails, we work on that number until the Board passes a motion. We cannot keep debating line items.

P. Johnson suggested increasing revenue lines investment income and police services.

**7.2 Discuss and act on budget proposal for FY25, including but not limited to Feedback from the Public Hearing**

*G. Lafontaine MOVED to request the Board of Selectmen bring to the Annual Town Meeting a proposed FY 2024-2025 budget for the Town of Lebanon in the amount of twenty nine million five hundred thirty three thousand three hundred thirteen dollars and no cents (\$29,533,313.00) to include General Town Government, Board of Education, Special Revenue accounts and Capital expenditures with projected revenue of seven million six hundred sixty thousand eight hundred thirty dollars and no cents (\$7,660,830.00 ) with a remainder of twenty one million eight hundred seventy two thousand four hundred eighty three dollars and no cents ( \$21,872,483.00) to be raised by taxes with an estimated mil rate of 21.0 as outlined in the document exhibit dated April 16, 2024. P. Johnson SECONDED.*

J. Spielman said she annualized the increase in revenue and it could be close.

D. Malozzi said if revenue estimate is under it will come from fund balance.

**MOTION CARRIED: 6.0**

**7.3 Set tentative meeting date if budget does not pass**

This date is after the referendum so it is early to set that date.

*NO ACTION TAKEN.*

**8.0 Appointment of Auditor for Fiscal Year 2023-2024**

*P. Johnson MOVED to reinstate CLA as town auditor for FY2023-2024. J. Spielman SECONDED.*

**MOTION CARRIED: 6:0**

**9.0 Subcommittee Updates and Actions**

**9.1 Policies & Procedures**

The committee met and will report next regular meeting.

**9.2 Long Term Planning**

No Report

**9.3 Audit**

A representative from the audit firm CLA will be attending the May BOF regular meeting to present a report.

**9.4 School Study**

Next meeting will be 4/23/24

**10.0 Other**

None

**11.0 Adjourn**

Hearing no further business, M. Nintean adjourned the meeting at 9:10 pm

Respectfully submitted,

Laurie Bergeron

Recording Secretary

Diane Malozzi

Secretary, Board of Finance

April 19, 2024

*Please see the minutes of subsequent meetings for the approval of these minutes and any corrections hereto.*